



April 18, 2013

The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: In the Matter of Rates for Interstate Inmate Calling Services, WC Docket No. 12-375

Dear Chairman Genachowski:

The National Consumers League (“NCL”)¹ respectfully submits the following reply comments in support of the Commission’s Notice of Proposed Rulemaking (“NPRM”) in the above-captioned proceeding. The NPRM addresses the extremely high calling rates imposed on inmates and their families and asks for comments that address the need to balance the goal of ensuring reasonable inmate calling service (“ICS”) rates for end users with the security concerns and expense inherent to ICS within the statutory guidelines of sections 201(b) and 276 of the Telecommunications Act. Ensuring just and reasonable ICS rates may be accomplished through incentives or regulations, or a combination of both.

Inmate communications are typically limited to collect calling from prison payphones that often carry exorbitant rates consisting of a per-minute charge, a per-call charge, and a site commission paid to the correctional facility. Correctional facilities grant exclusive contracts to ICS providers for each facility limiting communication options for the inmates.

This is an issue that affects those consumers who might have a family member incarcerated. Consumers, particularly those on low or fixed incomes, are harmed by these sky-high phone calling fees imposed by ICS providers. NCL applauds the agency for opening the rulemaking process and seeking comments on the issue. NCL also supports the FCC taking action to reduce these rates. We believe that the evidence strongly supports the following points:

- Families of inmates are often economically disadvantaged. The very high rates charged – far more than are paid by members of the society generally – are burdensome and discriminatory for these families. The record in this proceeding contains evidence that a 15-minute collect

¹ The National Consumers League was formed in 1899 to promote the economic and social justice of consumers and workers in the United States and abroad. NCL has long advocated for the interests of low-income consumers and for fair treatment of those consumers in the marketplace.

call can result in charges of \$10-17. A weekly one-hour call with an incarcerated family member can cost \$250 per month.²

- An inmate's regular telephone communication with family is crucial to that inmate's transition back into the community after incarceration and helps to reduce recidivism rates.³
- Since the correctional facilities grant exclusive contracts to ICS providers, inmates have no choice of communications provider. Competition for a contract between an ICS provider and a correctional facility should be based on the best service and lowest rates for inmates and their families, balanced with security issues.
- The FCC should work with the parties to significantly reduce commissions and ensure that any reductions lead to lower calling rates. Specifically, NCL supports the proposal of *Martha Wright et al.* that the FCC establish a benchmark ICS rate cap at \$0.07 per minute for debit, pre-paid and collect calls, with no per-call rate, and no other ancillary fees or taxes, from all private, public, state, county and local correctional and detention facilities.⁴
- The call set up or per-call charge, which can be as much as \$3.95, adds up quickly. We believe that these high rates are simply a way of squeezing out unnecessarily inflated fees from those who have no choice but to pay them if they are to stay in contact with loved ones. If there are objections, let those who raise those concerns demonstrate that their costs justify the inflated set up or per-call fees. Let them be transparent about their costs and their commensurate profits from the business of providing phone service to inmates and their families.
- The FCC has recognized that exclusive contracts can be pro-competitive and efficient, but exclusive contracts can also foreclose competition and thus prevent fair rates.⁵ In this situation, ICS providers and correctional facilities negotiate the contracts, leaving the paying customer with no influence on the rates charged. NCL encourages the FCC to take steps to ensure competitive effectiveness in this unique market to ease the burden on inmates' families.

In conclusion, we believe the Commission should consider action, such as establishing a calling rate benchmark, to help lower the cost of contact between inmates and their families. We agree with FCC Commissioner Clyburn, who said in a recent statement, that the telephone "is a crucial instrument for the incarcerated, and those who care about them, because voice calling is often the

² See Leadership Conference on Civil and Human Rights et al., Letter to FCC Chairman Julius Genachowski To Cap Interstate Prison Phone Rates, May 18, 2012, p. 1, WC Docket No. 96-128, available at <http://apps.fcc.gov/ecfs/document/view?id=7021918702>.

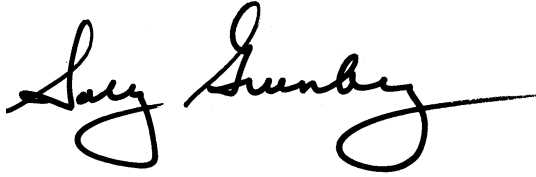
³ *Id.*, at 1.

⁴ Comments of Martha Wright et al, In the Matter of Rates for Interstate Inmate Calling Services, WC-Docket No. 12-375, March 25, 2013, p. 3.

⁵ See Inmate Calling Order on Remand and NPRM, 17 FCC Rcd at 3276, para. 73 ("[H]igh inmate calling rates may be partially attributable to the absence of market forces.").

only communications option available. Most inmates, along with their families and friends, are low-income, so in-person visits due to distance and expense are infrequent."⁶

Sincerely,

A handwritten signature in black ink, appearing to read "Sally Greenberg". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Sally Greenberg
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⁶ Statement of Commissioner Mignon L. Clyburn, In the Matter of Rates for Inmate Calling Services, WC Docket No. 12-375, December 28, 2012. Available at: <http://apps.fcc.gov/ecfs/document/view?id=7022093347>